

COPY

STATE OF INDIANA

FILED

INDIANA UTILITY REGULATORY COMMISSION

NOV 16 2006

PETITION OF SOUTHERN INDIANA GAS AND ELECTRIC)
COMPANY d/b/a VECTREN ENERGY DELIVERY OF)
INDIANA, INC. ("VECTREN SOUTH-GAS") FOR (1))
AUTHORITY TO INCREASE ITS RATES AND CHARGES)
FOR GAS UTILITY SERVICE; (2) APPROVAL OF NEW)
SCHEDULES OF RATES AND CHARGES APPLICABLE)
THERE TO; (3) AUTHORITY, TO THE EXTENT)
NECESSARY AS AN ALTERNATIVE REGULATORY PLAN,)
TO RECOVER ITS UNACCOUNTED FOR GAS COSTS AND)
THE GAS COST COMPONENT OF ITS BAD DEBT EXPENSE)
IN ITS GAS COST ADJUSTMENT FILINGS; (4) APPROVAL)
OF A DISTRIBUTION REPLACEMENT ADJUSTMENT TO)
RECOVER THE COSTS OF A PROGRAM FOR THE)
ACCELERATED REPLACEMENT OF CAST IRON MAINS)
AND BARE STEEL MAINS AND SERVICE LINES; (5))
APPROVAL OF THE IMPLEMENTATION OF THE SALES)
RECONCILIATION COMPONENT OF THE ENERGY)
EFFICIENCY RIDER PROPOSED IN CAUSE NOS. 42943)
AND 43046 OR OTHER RATE DESIGN CHANGES THAT)
UNLINK ITS FIXED COST RECOVERY FROM ITS SALES)
VOLUME; (6) APPROVAL AS AN ALTERNATIVE)
REGULATORY PLAN PURSUANT TO IND. CODE § 8-1-2.5-6)
OF A RETURN ON EQUITY TEST TO BE USED IN LIEU OF)
THE STATUTORY NET OPERATING INCOME TEST IN ITS)
GAS COST ADJUSTMENT PROCEEDINGS; (7) AUTHORITY)
PURSUANT TO 170 IAC 5-1-27(F) FOR A NON-GAS COST)
REVENUE TEST TO DETERMINE WHEN DEPOSITS ARE)
REQUIRED FOR FACILITIES EXTENSIONS; AND (8))
APPROVAL OF VARIOUS CHANGES TO ITS TARIFF FOR)
GAS SERVICE, INCLUDING INCREASES IN CERTAIN)
NON-RECURRING CHARGES.)

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 43112

PETITIONER'S CORRECTIONS TO PREFILED CASE-IN-CHIEF
AND MSFR WORKING PAPERS

Petitioner Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc. submits the following corrections to the Prepared Testimony and Exhibits constituting its case-in-chief previously filed with the Commission and the working papers

previously submitted pursuant to the Commission's Rules on Minimum Standard Filing Requirements ("MSFRs"):

1. Attached as Appendix A is a revised version of Petitioner's Exhibit No. PRM-2 which corrects the inadvertent omission of clause (iv) under "Basis of Selection" in the version of this exhibit to Mr. Moul's testimony originally filed on September 1, 2006 in Book 1 of Petitioner's Case-In-Chief.

2. The following change will be made to the Direct Testimony of James M. Francis, Petitioner's Exhibit No. JMF-1, filed on September 1, 2006 in Book 2 of Petitioner's Case-In-Chief:

- On Page 15, line 24 change "60%" to "53%."

3. The following change will be made to the Direct Testimony of John P. Kelly, Petitioner's Exhibit No. JPK-1, filed on September 1, 2006 in Book 2 of Petitioner's Case-In-Chief:

- On page 9, line 18 change "page 4" to "page 5."

4. In the Direct Testimony of Scott E. Albertson, Petitioner's Exhibit SEA-1, filed on September 15, 2006 in Book 3 of Petitioner's Case-In-Chief, the following corrections will be made:

- | | |
|------------------|---|
| Page 15, line 15 | Insert a period after the word "customers"; |
| Page 16, line 31 | Delete the words "all of" and insert "only" after the word "recovered"; |
| Page 25, line 20 | Change "line 16" to "line 12"; and |

Page 26, line 29 Change "42885" to "42855."

5. The following changes will be made to the exhibits to Mr. Albertson's Direct Testimony:

SEA-5, pages 11, 12 and 13:

Line 22 Change "L18-L19" to "L20-L21"

Line 24 Change "L20+L21" to "L22+L23"

Line 25 Change "L9+L16+L22" to "L9+L18+L24"

SEA-5, page 15:

Line 6 Change "Sch. 11, Line 15" to "Sch. 6, Line 11"

SEA-9, pages 7 and 9:

Line 18 Change "Line 16" to "Line 12"

6. Attached as Appendix B is a revised version of Sheet No. 18, Original Page 1 of 2, to Petitioner's proposed Tariff For Gas Service, Petitioner's Exhibit No. SEA-12, which makes the following corrections to the version of this page filed on September 15, 2006:

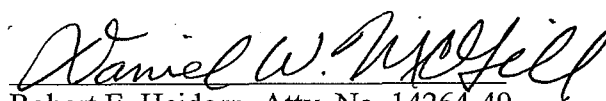
- The tail block rate for Rate 170 has been changed from \$0.0041 per therm to \$0.0047 per therm.
- Under "Appendices," the following words have been deleted: "Appendix K - Distribution Replacement Adjustment".

7. Attached as Appendix C is a revised version of Sheet No. 33 to Petitioner's proposed Tariff For Gas Service, Petitioner's Exhibit No. SEA-12. The version of this exhibit

filed on September 15, 2006 inadvertently failed to identify the Base Cost of Gas (Commodity, Demand and Total) for Rate Schedules 110, 120 and 129.

8. Attached as Appendix D is a revised version of page 6152 of Volume 11 of the MSFRs working papers which makes a small correction in the calculation of the Unaccounted For Gas Percentage for the period September 2004 - August 2005.

Respectfully submitted,



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CERTIFICATE OF SERVICE

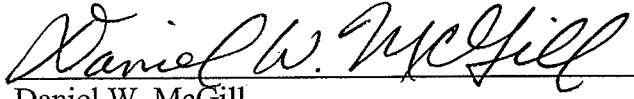
The undersigned hereby certifies that the foregoing Petitioner's Corrections to Prefiled Case-in-Chief and MSFR Working Papers was served by depositing a copy thereof in the United States mail, first class postage prepaid, addressed to:

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Daniel W. McGill

Appendix A

Gas Group
Capitalization and Financial Statistics
2001-2005, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Excluding Accumulated Other Comprehensive Income ("OCI") from the equity account.
- (3) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (4) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (5) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
- (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (7) Gross Cash Flow plus interest charges divided by interest charges.
- (8) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group includes companies that (i) are engaged in the natural gas distribution business, (ii) have publicly-traded common stock, (iii) are contained in The Value Line Investment Survey, (iv) they have not recently cut or omitted their dividend, (v) they are not currently the target of a merger or acquisition, (vi) they operate with a weather normalization and/or decoupling feature to their tariff or have other similar features, and (vii) they have at least 70% of their assets subject to utility regulation.

Ticker	Company	Corporate Credit Ratings		Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P			
ATG	AGL Resources, Inc.	A3	A-	NYSE	A-	0.90
ATO	Atmos Energy Corp.	Baa3	BBB	NYSE	B+	0.70
LG	Laclede Group, Inc.	Baa1	A	NYSE	B+	0.80
NJR	New Jersey Resources Corp	Aa3	A+	NYSE	A	0.80
NWN	Northwest Natural Gas	A3	AA-	NYSE	B+	0.70
PNY	Piedmont Natural Gas Co.	A3	A	NYSE	A-	0.75
SJI	South Jersey Industries, Inc.	Baa2	BBB+	NYSE	B+	0.65
WGL	WGL Holdings, Inc.	A2	AA-	NYSE	B+	0.80
Average		<u>A3</u>	<u>A</u>		<u>B+</u>	<u>0.76</u>

Note: Ratings are those of utility subsidiaries

Source of Information: Utility COMPUSTAT
Moody's Investors Service
Standard & Poor's Corporation
S&P Stock Guide

Appendix B

RATE 170

CONTRACT TRANSPORTATION SERVICE

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities and gas supplies, which determinations shall be in the Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer whose Annual Usage equals or exceeds 10,000,000 therms.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Facilities Charge:

\$700.00

Distribution Charge:

First 1,750,000 therms @ \$0.0192 per therm

Next 1,750,000 therms @ \$0.0102 per therm

Over 3,500,000 therms @ \$0.0047 per therm

Appendices:

The following Appendices shall be applied monthly:

- Appendix A – Gas Cost Adjustment
- Appendix G – Universal Service Fund Adjustment
- Appendix H – Pipeline Safety Adjustment

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Related Charges:

Customer shall reimburse Company for all charges incurred in connection with interstate pipeline transportation of Customer-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Other Charges:

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

CONTRACT

Customer shall enter into a written contract, which specifies the hourly and daily maximum gas requirements of Customer, and any other terms reasonably required by Company. The contract shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter, subject to cancellation by either party after written notice submitted not less than ninety days prior to the end of the initial term or any succeeding annual term. However, in no event shall the contract expire during the Winter Season, unless such mid-winter termination date is mutually agreed upon.

Effective:

Appendix C

APPENDIX D **BASE COST OF GAS**

For informational purposes, the Base Cost of Gas determined in the general rate proceeding in Cause No. 43112, effective _____ is as set forth in the following table. The Base Cost of gas is not reflected in the Base Rates and Charges of the Rate Schedules; all gas costs are recovered through Appendix A, Gas Cost Adjustment.

<u>Base Cost of Gas</u> <u>(\$ per Therm)</u>				
<u>Rate Schedule</u>	<u>Service</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
110	Sales	\$0.9429	\$0.0766	\$1.0195
120	Sales	\$0.9429	\$0.0766	\$1.0195
125	Transportation	\$0.0000	\$0.0000	\$0.0000
129	Sales	\$0.9429	\$0.0766	\$1.0195
145	Transportation	\$0.0000	\$0.0000	\$0.0000
160	Transportation	\$0.0000	\$0.0000	\$0.0000
170	Transportation	\$0.0000	\$0.0000	\$0.0000

Effective:

Appendix D

VECTREN SOUTH
Unaccounted For Gas Percentage Annual Review
For the Period September 2001 - August 2005 Summary

Period	Available (dth)	dth Delivered (dth)	Unaccounted For (dth)	Unaccounted For %
Sep 04 - Aug 05	30,340,340	30,110,279	230,061	0.8%
Sep 03 - Aug 04	30,781,657	30,186,166	595,491	1.9%
Sep 02 - Aug 03	32,762,075	32,252,156	509,919	1.6%
Sep 01 - Aug 02	29,391,591	29,076,734	314,857	1.1%
	<u>123,275,663</u>	<u>121,625,335</u>	<u>1,650,328</u>	1.3%